

Reply of the European Central Bank to the European Ombudsman's questions in case 1697/2016/ANA

(as set out in her letter dated 4 July 2017)

Preliminary observations

The Group of Thirty (G30) was established in 1978 as a forum for exchanging views on topical issues related to the functioning of the international economic system. For the European Central Bank (ECB) – and, prior to that, the European Monetary Institute (1994-98) – participation at G30 meetings was part of its efforts to affirm and establish itself in the relevant fora as a major central bank of a major currency. As such, through their high-level officials, the EMI and the ECB made their voices heard in the G30: the EMI's President, Alexandre Lamfalussy and, subsequently, the ECB's Executive Board Member, Tommaso Padoa-Schioppa, President Jean-Claude Trichet and President Mario Draghi were members of the G30.

Today, the ECB is open to maintaining a dialogue with a wide range of stakeholders. To ensure the proper execution of the ECB's mandate, ECB policy-makers need to be informed about developments in the global economic and financial environment. The G30 is one of several fora with private sector involvement with which the ECB engages. It has a highly diverse composition comprising current and former central bank governors, ministers of finance, academics and private sector representatives, including bankers. As such, the ECB sees it as a relevant and useful forum with which to engage.

Whenever Executive Board members attend a meeting with external parties, including the G30 meetings, they fully observe the ECB's good governance safeguards. These include the Codes of Conduct¹, the [Guiding principles](#) for external communication by members of the Executive Board of the European Central Bank ("Guiding principles"), and the obligations of professional secrecy and independence.

It is against this background that the ECB considers the President's membership of the G30 and the participation of other Executive Board members in G30 events to be fully compatible with the independence, reputation and integrity of the ECB and, most importantly, that this does not entail any conflict of interest. In fact, the ECB wishes to point to the Decision of the Ombudsman in 2013, which was taken in full knowledge of both the ECB's vital role in the financial crisis and its forthcoming supervisory responsibilities for credit institutions. The Decision reads: "Before concluding, the Ombudsman underlines that the financial crisis has greatly increased

¹ [Code of Conduct for the Members of the Governing Council](#) and the [Supplementary Code of Ethics Criteria for the members of the Executive Board](#)

the public visibility of the ECB and public expectations of its role. Moreover, the Ombudsman notes that further responsibilities are likely to be entrusted to the ECB in the future, in particular as regards the supervision of banks.” It goes on to encourage the ECB to enhance the quality of its communication and does not call for its involvement in the G30 to be reconsidered in the light of these developments. The ECB has clearly lived up to the Ombudsman’s call and has further stepped up its outreach activities in a balanced manner and increased transparency.²

1 What exactly does membership of the Group of 30 (G30) entail and who determines how one becomes a member?

The Trustees of the Group choose the members of the G30 based on their understanding of international economic and financial issues with a view to enriching discussions. As stated on the G30 website, membership does not imply endorsement of the Group, or of its work programme and studies.³

The G30 currently includes the presidents of seven central banks (namely the People’s Bank of China, the Bank of Japan, the Bank of England, the ECB, the Bank of Mexico, the Monetary Authority of Singapore and the Federal Reserve Bank of New York) and 21 former central bank presidents (as well as former public officials). Less than a third of its members are from the private financial sector, several of whom have held positions in the public sector.

The G30 organises a plenary meeting for its members twice a year, as well as a number of other seminars and events, the details of which are available on its website.⁴

2 How often does the ECB President (or any other ECB member) take part in meetings of the G30? How many times so far have the current or former Presidents of the ECB participated in such meetings?

The G30 members’ meetings take place twice a year. Since his appointment as President of the ECB in 2011, Mr Draghi has attended four members’ meetings (in 2012, 2013 and twice in 2015).⁵

² Such as publishing the monthly diaries of Executive Board members, adopting Guiding principles for external communication, enhancing the transparency of its Banking Industry Dialogue and Institutional Investor Dialogue, and adopting innovative communication approaches (see 2016 Ombudsman’s Good Administration Award).

³ See the G30’s website for more information under “[How does someone become a member?](#)”.

⁴ [G30 events](#) have been hosted by, among others, the International Monetary Fund, the Banque de France, the Bank of England, the Federal Reserve Bank of New York, the Central Bank of Brazil, the Bank of Japan, the Inter-American Development Bank, the Monetary Authority of Singapore and the Central Reserve Bank of Peru.

⁵ Attendance of meetings is also dependent on the President’s agenda and observance of the “quiet period” prior to the monetary policy meetings of the Governing Council.

Annex 1 provides an overview of Executive Board members' attendance at G30 meetings (also recorded in their publicly available [diaries](#)).

The G30 also organises an annual International Banking Seminar, which is open to a wider audience beyond its membership. Mr Draghi attended one International Banking Seminar in 2012.

Other former Executive Board members that were G30 members include Jean-Claude Trichet (former President of the ECB) and Tommaso Padoa-Schioppa (former Executive Board member). The former President of the European Monetary Institute (which preceded the ECB), Baron Alexandre Lamfalussy, was also a member of the G30.

3 How is the G30 financed and does the ECB make any contribution to its financing?

The G30 is a not-for-profit organisation under US law. Information on the funding of the G30 and [a list of contributors](#) can be found on the G30's website.⁶ Among the contributors to the G30 are a number of central banks from around the world, including most of the central banks of the EU Member States.⁷

The ECB has never contributed to the G30's financing.

4 It would appear that G30 events are invitation-only. How is it decided which people or what organisations are invited to participate in the meetings and working groups?

The biannual G30 plenary meetings are for members, to which a few individuals are typically invited concerning a specific topic under discussion.

The annual International Banking Seminar is open to over 300 invitees from the public, private and academic sectors. The G30 may also organise ad hoc events, such as a recent Occasional Lecture by Dr Raghuram Rajan (former Governor of the Reserve Bank of India), which was recorded and published online.

Working groups are led by and composed of G30 members. Other experts are occasionally invited to participate as observers. Mr Draghi has never participated in a

⁶ See the [G30's website](#) for more information.

⁷ Between 2015 and 2017 the following central banks of EU Member States have contributed to the G30: the Banca d'Italia, the Banco de España, the Banco de Portugal, Suomen Pankki – Finlands Bank, the Banque centrale du Luxembourg, the Banque de France, the Nationale Bank van België/Banque nationale de Belgique, the Central Bank of Ireland, the Bank Ċentrali ta' Malta/Central Bank of Malta, Danmarks Nationalbank, De Nederlandsche Bank, the Magyar Nemzeti Bank, Българска народна банка (Bulgarian National Bank), Narodowy Bank Polski, the Oesterreichische Nationalbank and Sveriges Riksbank.

working group (either as a member of the working group or as an observer). All studies by G30 working groups are published.⁸

5 Is it correct that the current G30 members include four representatives from banks directly (significant institutions) or indirectly (less significant institutions) supervised by the ECB? Does the ECB have any rules, protocols or guidelines to protect against a conflict of interest situation arising in relation to G30 meetings and events?

The G30 meetings focus on international economic, monetary and financial topics and do not address issues of a micro-prudential supervisory nature. When attending meetings such as those of the G30, Executive Board members adhere to the ECB's Codes of Conduct⁹, the Guiding principles, and the obligations of professional secrecy and independence.

The names of [G30 members](#) as well as the [list of entities supervised by the ECB](#) are publicly available. There are currently 124 banks and banking groups directly supervised by the Single Supervisory Mechanism and about 3,200 indirectly supervised banks (i.e. banks supervised by the national competent authorities).

Two current G30 members come from banks that are directly supervised by the ECB and two from indirectly supervised banks.

Please note that the Governors of the Bank of England, the Bank of Japan, the People's Bank of China and the Federal Reserve Bank of New York are members of the G30, even though their respective institutions have supervisory responsibilities.¹⁰

Please see Annex 2 for details on the G30 members from directly or indirectly supervised banks.

⁸ The G30 publications make it clear that they do not necessarily represent the views of each and every G30 member or of the institutions that they represent. For more details, see the answer to Question 10.

⁹ The [Code of Conduct for the members of the Governing Council](#) and the [Supplementary Code of Ethics Criteria](#) for the members of the Executive Board.

¹⁰ The roles of these central banks in the area of banking supervision vary in accordance with their respective national legislation. For information on the Bank of England's Prudential Regulation Authority, see the [Banks & building societies lists](#). The Bank of Japan conducts on-site examinations and off-site monitoring in order to maintain a safe and sound financial system. For more information, see Bank of Japan (ed.) (2012), "[Functions and Operations of the Bank of Japan](#)", page 147 et seq. See [Articles 34 and 35 of the Law of the People's Republic of China](#) on The People's Bank of China's website. Further information on banking supervision by the Federal Reserve Bank of New York, is available at [Supervision Group](#) webpage. See also the Bank for International Settlements' list of "[Regulatory authorities and supervisory agencies](#)".

6 Is there an internal decision concerning ECB participation in such fora? Are there any internal documents specifically addressing the participation of the ECB President or members of the Executive Board in the G30 (authorisation, information, etc.)?

The ECB has formulated its stance on the participation of the ECB's President or members of the Executive Board in the G30¹¹, which was confirmed with the Ombudsman's decision and a finding of no maladministration in 2013.

Participation in such fora is governed by the safeguards mentioned above (see the answer given to Question 5).

The ECB's position was confirmed by its Ethics Committee.¹² It concluded that attendance by the President of the ECB at the meetings is justified because: (i) the Treaty encourages EU institutions to have dialogues with a wide range of stakeholders, and (ii) the G30's diverse composition with numerous current and former senior public officials and governors (with several of them having or having had responsibility for banking supervision) is in the ECB's institutional interest.

7 We note from the ECB President's 2016 published calendar that the President met with Credit Suisse, Deutsche Bank, BridgeWater Associates, BlackRock, Morgan Stanley, Munich Re and AXA. What other fora exist in which the ECB President and Executive Board members meet with representatives of the financial sector?

To ensure the proper execution of the ECB's mandate, ECB policy-makers need to be informed about developments in the global economic and financial environment. The Executive Board members regularly participate in meetings with private sector representatives and adhere to the relevant guidelines when doing so. Discussions with diverse groups help central bankers to understand the dynamics of the economy, the real economy and financial markets. Attendance is published in the Executive Board members' diaries.

The ECB also hosts two market contact groups to facilitate active dialogue at the highest level with market participants on topics of common interest: the [Banking Industry Dialogue](#) and the [Institutional Investor Dialogue](#). The ECB publishes the agendas, lists of meeting participants and summaries of the Banking Industry Dialogue and the Institutional Investor Dialogue. This is also manifested in the respective Charters of each dialogue. These dialogues will soon be complemented with the Non-Financial Business Sector Dialogue, which will follow the same approach to transparency.

¹¹ See Annex 3 (letter of the ECB to the European Ombudsman dated 29 September 2012).

¹² Mr Trichet (Chairman of the Ethics Committee), considering his G30 membership, naturally recused himself on this topic.

- 8 My inquiry team was told during the inspection that the membership of the ECB President is in a personal capacity. However, it is clear from the documents inspected that when, on one occasion, the President was unable to attend a meeting, the Vice-President was invited (and gave a speech). It may be argued, therefore, that the ECB's involvement in the G30 is rather of an institutional nature. What is the ECB's view?

Already during the Ombudsman's earlier investigation in 2013, in which the Ombudsman found no maladministration, the ECB clarified its institutional interest in the President's participation in the G30.¹³ It is in view of this rationale that the ECB's Vice-President participated.

As a matter of fact, ECB staff members re-confirmed this position during the Ombudsman's on-site inspection in March 2017.

- 9 Where ECB members attend meetings organised by the G30, they must abide by Treaty transparency requirements. However, G30 meetings are not transparent. Would the ECB consider proactively informing the public of the content of these meetings, providing agendas and non-confidential summaries? The ECB already provides for transparency regarding its meetings in the context of the Banking Industry Dialogue and the Institutional Investor Dialogue.

The ECB hosts a number of market contact groups to facilitate active dialogue with market participants, including the Institutional Investor Dialogue and the Banking Industry Dialogue. Agendas, meeting participants and summaries are published on the ECB's website.

All meetings attended by Executive Board members in their official capacity, including the G30 meetings, are made transparent in the monthly diaries of the Executive Board members, which are also published on the ECB's website.

For G30 meetings, it is primarily for the G30 to decide on the level of transparency of its discussions.

The ECB welcomes the G30's recent initiatives to increase the transparency of G30 events and will encourage further steps in this direction. For example, in April 2017 the G30 recorded and published the Occasional Lecture of Dr Raghuram Rajan at the International Monetary Fund (as well as the Q&A after the [lecture](#)). The ECB is also pleased to note that in October 2017 the media was invited to attend and report on the International Banking Seminar 2017.

¹³ See Annex 3.

10 Regarding ECB involvement in the G30 publications, the complainant argued that, in the absence of a 'disclaimer', the public might consider that G30 reports reflect the views of the ECB. Would the ECB consider the insertion of a disclaimer clarifying that any involvement in such publications does not necessarily reflect the views of the ECB?

As explained to the Ombudsman's inquiry team at the inspection, all G30 reports contain a disclaimer,¹⁴ which makes it clear that G30 reports do not necessarily represent the views of the Group's members or the institutions they come from.

The ECB would also like to refer to the findings concerning the G30 disclaimers in the Ombudsman's previous investigation in 2013.¹⁵

Moreover, the G30 clearly states on its website that membership does not imply endorsement of the G30, or of its work programme and studies, by the members' respective institutions.¹⁶

11 Regarding the institutional safeguards already put in place, I note that the 'Guiding principles for external communication by members of the Executive Board of the ECB' provide that as a matter of principle and where practical, an ECB staff member should be present at bilateral meetings between members of the Executive Board and third parties. This is particularly relevant in the case of the ECB's President and Vice-President. Would the ECB consider that this rule should be observed in all cases?

The Guiding principles provide that, as a rule, an ECB staff member should be present *not only at bilateral meetings, but also at non-public events* (such as G30 meetings). They also provide other provisions to ensure a level playing field when interacting with members of the public, representative associations and civil society.

All Executive Board members have followed these provisions for the G30 events since the adoption of the Guiding principles.

¹⁴ For example, the three most recent G30 reports (all published in 2016) all contained a disclaimer, even if its formulation may have varied: Abdlatif Al-Hamad and Philip Verleger, Jr; [Oil and the Global Economy](#), Jacques de Larosi re; [Thoughts on Monetary Policy: A European Perspective](#) and the Working Group on Shadow Banking; [Shadow Banking and Capital Markets: Risks and Opportunities](#).

¹⁵ "75. The Ombudsman notes that reports are produced by individual members of the Group of Thirty, and published in their own names, or produced by working groups. Each report produced by an individual contains the following statement: 'The views expressed in this paper are those of the author and do not necessarily represent the views of the Group of Thirty'. Each report produced by a working group contains the following statement: 'The views expressed in this paper are those of the Working Group on [subject title of report] and do not necessarily represent the views of all of the individual members of the Group of Thirty.' Thus, there is no requirement that other members of the Group of Thirty subscribe to the views of a particular individual or a working group. As such, reports produced by other individuals, or by working groups in which the President of the ECB has not participated, do not in any way limit the independence of the President of the ECB. "

¹⁶ For more information, see the [G30's website](#).

12 Would the ECB consider, in the interest of clarity and legal certainty, the extension of the Guiding principles to members of the Supervisory Board?

As confirmed to the complainant already in a letter dated 6 October 2016, the Guiding principles apply to the Chair, the Vice-Chair and the ECB representatives on the Supervisory Board.

13 What is the ECB's view on the appropriateness of the chairing of the ECB's Ethics Committee by the Honorary Chairman of the G30? This question arises in the context of the Ethics Committee's possible role in assessing the ECB's membership of the Group.

The ECB has no reservations about the appropriateness of Mr Trichet as the Chair of the Ethics Committee.

Whenever the Ethics Committee has considered issues related to the G30, in view of his own membership, Mr Trichet has recused himself and therefore never participated in the deliberations.¹⁷

14 The complainant argues that it is inappropriate for the ECB President to take part in closed meetings alongside commercial banks. Specifically, the complainant argues that there is a risk that confidential information might be disclosed to these banks in those meetings. Even if no such information has actually been disclosed in those meetings, there may be a public perception that such disclosures might occur. What is the ECB's view?

The President, as any other Executive Board member, is bound by the obligation of professional secrecy laid down in Article 37 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank. This applies to open as well as closed-door meetings. This obligation is equivalent to the duty of professional secrecy that applies to other decision-makers of EU institutions (such as Commissioners or the European Ombudsman).

Speeches held by Executive Board members, including those given at G30 meetings, are published on the ECB website.¹⁸

¹⁷ In so doing, Mr Trichet has acted in line with Article 2(4) of the [Decision of the European Central Bank concerning the establishment of an Ethics Committee and its Rules of Procedure](#).

¹⁸ See for example the [speech](#) by Vítor Constâncio, Vice-President of the ECB, at the G30 International Banking Seminar, Washington, D.C., 15 October 2017; his [speech](#) at the G30 International Banking Seminar, Washington, D.C., 9 October 2016; and his [speech](#) at the 71st Plenary Meeting of the Group of Thirty, Versailles, 30 May 2014. See also the [speech](#) by Sabine Lautenschläger, Member of the Executive Board of the ECB, at the panel during the G30 International Banking Seminar, Lima, 11 October 2015.

- 15 The complainant takes the view that there are insufficient mechanisms in place to supervise and regulate the behaviour of members of the ECB's decision-making bodies in relation to the G30; specifically that, other than on the basis of the 'quiet period' principle, the ECB has no rules governing such participation. What is the ECB's view?

The Guiding principles complement the Codes of Conduct and set out the provisions on interactions with members of the public, representative associations and civil society in order to ensure a level playing field; they apply to meetings with external parties, including G30 meetings.

The quiet period principle is just one of several principles enshrined in the Guiding principles.

All Executive Board members are bound by the obligation of professional secrecy, which is identical to that of other decision-makers of EU institutions (such as Commissioners or the European Ombudsman). Moreover, Article 130 of the Treaty on the Functioning of the European Union safeguards the independence of the ECB and of the members of its decision-making bodies.

The ECB considers the existing safeguards for meetings with external parties adequate, while it continuously reviews the current framework vis-à-vis best practices in good governance.¹⁹

- 16 The complainant raises the issue of ECB independence in the light of the ECB's involvement in the G30. Has the ECB considered this matter and, if so, what has it concluded? Could the ECB state the specific reasons why it considers membership and participation in the G30 important, including any relevant public interest reasons. If the ECB considers that there is a public interest benefit in membership, could it explain why participation in relevant events - as opposed to membership of the Group itself - would not fulfil this public interest need?

The ECB considers the G30 to be a relevant and useful global forum on economic, monetary and financial matters. The ECB also considers Mr Draghi's membership of the G30 and the Executive Board members' participation at G30 events as appropriate (see, also, the answer given to Question 6). As for any meetings with external parties, Board members adhere to the relevant Guiding principles and obligations laid down in the Codes of Conduct.

¹⁹ Identical or equivalent rules also exist for the ECB Supervisory Board members.

Executive Board members benefit from regular discussions with a wide range of interlocutors to better understand the dynamics of the economy and of financial markets (see, also, the answer to Question 7).

The G30 members' diversity in terms of professional profiles, geographical representation and schools of thought is particularly conducive to foster an intellectually enriching exchange of views. In contrast to participation at a conference, the G30 meetings – with some of the world's most renowned minds on economic, monetary and financial matters – allow for a dynamic, stimulating and focused debate on a variety of topical issues.

In an environment where proper safeguards are in place and respected, such interactions positively contribute to the ECB's ability to fulfil its mandate – which, in turn, is in the public interest.

Finally, the G30 has become more transparent in the course of 2017 (see, also, the answer to Question 9); membership offers the opportunity to effectively advocate within the G30 in favour of a further enhancement of its transparency, which again is in the public interest.

Annex 1

Overview of attendance at the biannual G30 meetings by former and current Executive Board members

Mr **Mario Draghi** has been President of the ECB since 1 November 2011.

2011 – no plenary meeting attendance

2012 – one plenary meeting attendance

2013 – one plenary meeting attendance

2014 – no plenary meeting attendance

2015 – two plenary meeting attendances

2016 – no plenary meeting attendance

2017 – no plenary meeting attendance

Mr **Vítor Constâncio** has been Vice-President of the ECB since 1 June 2010.

2014 – one plenary meeting attendance

Mr **Jean-Claude Trichet** was ECB President from 1 November 2003 to 31 October 2011. During that time he attended the following meetings:

2003 – no plenary meeting attendance

2004 – one plenary meeting attendance

2005 – one plenary meeting attendance

2006 – one plenary meeting attendance

2007 – no plenary meeting attendance

2008 – one plenary meeting attendance

2009 – one plenary meeting attendance

2010 – no plenary meeting attendance

2011 – one plenary meeting attendance

Mr **Tommaso Padoa-Schioppa** was a member of the Executive Board of the ECB from June 1998 to May 2005. During that time he attended the following meetings:

1998 – one plenary meeting attendance

1999 – two plenary meeting attendances

2000 – no plenary meeting attendance

2001 – one plenary meeting attendance

2002 – one plenary meeting attendance

2003 – one plenary meeting attendance

2004 – two plenary meeting attendances

2005 – one plenary meeting attendance

Mr **Alexandre Lamfalussy** was President of the ECB's predecessor, the European Monetary Institute (1994-98) and also a member of the G30.

Annex 2

G30 members representing directly or indirectly supervised banks

Two G30 members come from banks that are supervised directly by the ECB: Guillermo de la Dehesa (non-executive Vice-President of Santander) and Gerd Häusler (Chairman of the Supervisory Board of Bayerische Landesbank).

Tidjane Thiam is CEO of Credit Suisse Group AG and Credit Suisse AG. Credit Suisse Group AG has seven indirectly supervised subsidiaries in the European Union (EU), namely in Germany, Ireland, Spain, Italy (2), Luxembourg and the Netherlands.

Axel Weber is Chairman of the Board of Directors at UBS Group AG. UBS Group AG has seven indirectly supervised entities in the EU, namely in Germany (2), France (3), Italy and the Netherlands.

The parent banks of indirectly supervised subsidiaries in the EU are directly supervised in their respective jurisdictions (e.g. Credit Suisse Group AG in Switzerland), whereas the indirectly supervised subsidiaries are supervised by the national competent authorities (e.g. Credit Suisse in Germany is supervised by BaFin).

In addition, Jacob A. Frenkel is Vice-Chairman at JPMorgan Chase & Co, which is neither directly nor indirectly supervised under EU law. The Luxembourg-based subsidiary of that bank (J.P. Morgan Bank Luxembourg S.A.) is directly supervised by the ECB owing to the size of its assets being above 20% of Luxembourg's GDP.

With the exception of Mr Thiam, all the above-mentioned G30 members perform non-executive functions in their respective banks (i.e. are not involved in day-to-day operations).

As mentioned earlier, please note that the Governors of the Bank of England, the Bank of Japan, the People's Bank of China and the Federal Reserve Bank of New York are members of the G30, even though their respective institutions have supervisory responsibilities.



Vitor CONSTÂNCIO
Vice-President

ECB-UNRESTRICTED until 26/10/2017
then ECB-PUBLIC

Frankfurt am Main, 29 September 2012

Mr P. Nikiforos DIAMANDOUROS
The European Ombudsman
1, avenue du Président Robert Schuman
67001 Strasbourg Cedex B.P. 403
FRANCE

Re: Inquiry No 1339/2012/FOR concerning a complaint from Mr Kenneth Haar on behalf of Corporate Observatory Europe

Dear Mr Diamandouros,

On 24 July 2012 the ECB received your inquiry concerning a complaint from Mr Kenneth Haar, on behalf of Corporate Observatory Europe, alleging that the ECB President's membership of the Group of Thirty is incompatible with the independence, reputation and integrity of the ECB. You also brought forward the complainant's claim that "the ECB should ask its President to withdraw from the Group of Thirty".

Based on the assessment detailed below, the ECB is of the opinion that the ECB President's membership of the Group of Thirty is fully compatible with the independence, reputation and integrity of the ECB and, most importantly, does not entail any conflict of interest. First, the Group of Thirty is not a lobby or an interest group but a forum for exchanging views on global economic and financial issues. Second, it is an essential requisite for the ECB President to have regular meetings and exchange views with high-level representatives of the public and private sector. Such contacts are indispensable for the proper execution of the ECB's mandate, as they provide a highly valuable source of first-hand information about developments in the global economic and financial environment in which the ECB operates and allow it to develop an informed view of that environment. In turn, it also provides the ECB with a channel for communicating its policy measures. Third, the ECB President's membership of the Group of Thirty is entirely in line with the stringent ethics standards applicable to the members of the ECB's decision-making bodies. The complainant's allegations are therefore unfounded.

The complainant has lodged two requests for information with the ECB in the past, in which he raised concerns regarding the participation of the ECB President in the Group of Thirty. In that context he was informed that the ECB President's membership of the Group of Thirty was compatible with the Code of Conduct for the members of the Governing Council and the Supplementary Code of Ethics Criteria for the members of the Executive Board of the ECB. In addition, the ECB provided the complainant with the list of external mandates of the President as provided for in Article 3.6 of the Code of Conduct for the Members of the Governing Council.

As Mr Haar's allegations seem to be based on partial/incomplete information about the very nature of the Group of Thirty, the following provides a detailed explanation of its role and function, its purpose and membership, with the aim of dispelling such concerns.

First, as regards the purpose, structure and governance of the Group of Thirty, it is important to note that the Group is a private, non-profit, publicly known international body founded in 1978 which aims to deepen the understanding of international economic and financial issues, to explore the international repercussions of decisions taken in the public and private sectors, and to examine the choices available to market practitioners and policy-makers. It is composed of high-level representatives of the private and public sectors, including several current or former central bank governors, as well as academics. The Group is currently chaired by Jean-Claude Trichet. The full list of members of the Group of Thirty is made public on its website.

Formally, the Group of Thirty is a committee of the legal entity "The Consultative Group on International Economic and Monetary Affairs, Incorporated". The corporation is registered in the United States as a non-profit, tax-exempt organisation. Day-to-day decisions regarding the operations of the Group are taken by the Executive Director in consultation with the Officers of the Group, as appropriate. Decisions regarding leadership, membership, and policy are taken by the Board of Trustees. Currently, the Trustees consist of the Chairman of the Trustees and the Officers of the Group. All important matters affecting the membership and policies of the Group are reviewed at biannual plenary meetings of the Group. The Group is supported by various sources: banks, non-bank corporations, central banks, individuals and, for specific projects, foundations. The current list of contributors is presented in an annex to the Group's annual report.¹

The Group of Thirty issues publicly available reports and organises regular meetings and seminars that reach out to a wider audience. Its key events are the two annual plenary meetings and the International Banking Seminars. The Group meets twice a year in plenary meetings which are attended by most of the members and a small number of distinguished guests who are invited to participate in the discussions. Certain subjects are a regular focus of the Group's attention. There is usually a discussion of the international economic outlook over the next 12 to 24 months. The evolution of financial

¹. See link: www.group30.org/images/PDF/ReportPDFs/G30AnnualReport20102011.pdf



markets, particularly in times of uncertainty, has also become a focal point. In 2010 and 2011 the plenary debates focused on repairing economies following the financial crisis. The plenary meetings debated the causes and implications of the crisis, the lessons to be learned, the remaining challenges, and the impact of financial and regulatory reforms on the banking sector. The plenary meetings also touched on developments in emerging market economies, issues confronting the international monetary system, geo-political risks, and other relevant and timely subjects. The International Banking Seminars are held at the same time as the IMF and World Bank annual meetings and are attended by members as well as non-members, including, inter alia, many central bank governors, finance ministers and chairmen of the financial sector. Each seminar features presentations by high-level representatives of the private and public sectors across the globe. Relevant information on the Group's activities, including the topics discussed, as well as speakers at seminars and participants at plenary meetings, can be found in the Group's annual report². It is clear from the above that the Group of Thirty is not a lobby or interest group that would aim to influence any decision-making process in such a way as to defend private interests. It is, rather, a forum for enlightened and forthright reflection and debate on issues of relevance for the economic and financial world, with the aim of deepening the understanding of international economic and financial issues.

Second, as a member of the Group of Thirty, the ECB President may decide, upon invitation and without remuneration, to attend events organised by the Group, for example, participation and presentations at plenary meetings and seminars, and participation in study groups, which are made publicly available on the website of the Group. The ECB President is neither a Trustee nor an Officer of the Group (as described above). As a member of the Group, the ECB President may attend meetings and seminars that allow for an exchange of views on global economic and financial issues. Such dialogues provide a useful opportunity not only to better understand the views and perceptions of international policy-makers, market participants and academics, but also to explain ECB policy measures to a wider audience. To ensure the proper execution of the ECB's mandate, ECB policy-makers need to be informed about developments in the global economic and financial environment and need to have an adequate understanding of that environment. It is thus not in conflict with its institutional role for the ECB President to meet representatives of that surrounding environment, from either the public sector or the private sector, for dialogues and exchanges of views. In the same vein, the ECB (co)-organises annually several conferences which bring together people from the public and private sector, as well as academia. This shows that the ECB President's membership of the Group of Thirty is not incompatible with the independence of the ECB but, on the contrary, falls squarely within the requisites of his position. Needless to say, when taking part in such exchanges of views or debates, the ECB President is bound by the principle of independence and the duty of professional secrecy.

² See link: www.group30.org/images/PDF/ReportPDFs/G30AnnualReport20102011.pdf



Third, the ECB President's membership of the Group of Thirty does not give rise to a conflict of interest. It neither creates the appearance of such a conflict of interest nor violates the provisions of the ECB's ethics framework³. The members of the ECB's decision-making bodies are bound by a comprehensive ethics framework specifying the standards of integrity and conduct. These standards take into account the special responsibility of the members of the ECB's decision-making bodies to maintain the integrity and reputation of the ECB and the ESCB as a whole. They notably contain rules on attendance of conferences, receptions and cultural events and on conflicts of interest and rules on their disclosure, which are in line with the standards laid down by the Council of Europe's Recommendation on codes of conduct for public officers and the OECD's Recommendation on Guidelines for managing conflicts of interest in the public service. First, as already explained, it is necessary for the proper execution of the ECB's mandate that the ECB President has regular exchanges of views with representatives of the global economic and financial environment in which the ECB operates.⁴ Second, as mentioned above, the Group of Thirty is not an interest group in the sense of Article 3.7 of the Code of Conduct for the members of the Governing Council, but a non-partisan discussion forum. Third, the ECB President's membership of the Group of Thirty does not provide him with "any potential advantage for himself, his family, his other relatives or circle of friends and acquaintances"⁵. Such membership is therefore, by definition, not liable to give rise to any private or personal interest, and even less to any conflict, or appearance of conflict, of such interests.⁶

I trust that the above provides sufficient information about the mandate of the Group of Thirty and thereby provides sufficient evidence that the ECB President's membership of the Group of Thirty is neither an apparent nor an actual conflict of interest and does not compromise the independence of the ECB President.

Yours sincerely,



³ This framework is composed of the Code of Conduct for the members of the Governing Council, the Supplementary Code of Ethics Criteria for the members of the Executive Board of the ECB and, to the extent applicable to the members of the Executive Board as specified in the "Preliminary statements" to the Supplementary Code of Ethics Criteria for the members of the Executive Board of the ECB, Part 0 of the ECB Staff Rules containing the Ethics Framework. These documents are available at the following address: <http://www.ecb.europa.eu/ecb/legal/1008/1024/html/index.en.html>

⁴ See Article 3.4 of the Code of Conduct for the members of the Governing Council and Article 3 of the Supplementary Code of Ethics Criteria for the members of the ECB's Executive Board.

⁵ See Article 4.1 of the Code of Conduct for the members of the Governing Council.

⁶ See Article 4.1 of the Code of Conduct for the members of the Governing Council.